

5 merchant computer associated with a first merchant having a first merchant account, a
plurality of merchant bank computers including a first merchant bank computer, a
plurality of tax authority designated computers including a first tax authority designated
computer associated with a first tax authority having a first tax authority account, and one
or more communication networks for enabling communications among the customer
computers and the merchant computers and for enabling communications among the
10 merchant computers and the merchant bank computers,

a control system that performs the following operations:

communicates with each of the plurality of merchant computers using the
one or more communication networks;

15 communicates with each of the plurality of merchant bank computers
using the one or more communication networks;

communicates with each of the plurality of tax authority designated
computers using the one or more communication networks;

20 stores debit information related to authorized debits, wherein each of the
authorized debits is for debiting a corresponding one of the plurality of merchant
banks;

stores credit information related to providing credits to each of the
plurality of tax authority designated computers;

stores merchant information related to each of the plurality of merchants
including identities of the merchants;

25 stores tax authority information related to each of the plurality of tax
authorities including identities of the tax authorities;

30 receives, from each of the plurality of merchant computers, transaction
information related to a taxable transaction between the merchant associated with
the merchant computer, and another party to the transaction associated with some
one of the customer computers, including first transaction information received
from the first merchant computer during a same time said first transaction is
conducted;

debits at least the first merchant bank computer in a first tax amount
related to said first transaction information;

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credits said first tax amount to the first tax authority designated computer;
and

provides generated reports to the tax authorities associated with the
plurality of tax authority designated computers.

Please amend claim 13 as follows:

13. (Once Amended) In a system, as claimed in Claim 12, wherein:

said control system includes a main tax gateway and at least a first distributed tax
gateway in communication therewith, said main tax gateway including a controlling
subsystem and a memory subsystem in communication with said controlling subsystem,
5 said memory subsystem storing said debit information, storing said credit information,
storing said merchant information and storing said tax authority information.

Please amend claim 14 as follows:

14. (Once Amended) In a system, as claimed in Claim 13, wherein:

said controlling subsystem being used in debiting the first merchant bank
computer in the first tax amount and being used in crediting the first tax amount to the
first tax authority designated computer, wherein said controlling subsystem includes:

5 a merchant related data store including, for each of a plurality of merchants
having a corresponding one of the merchant computers, merchant bank information
identifying the merchant's bank, wherein there is first and second merchant bank
information identifying, respectively, the first merchant bank and a second merchant
bank for a second merchant, wherein the first and second merchant banks are different,
10 and wherein said merchant related data store is accessed for performing said debits
operation.

15. In a system, as claimed in Claim 13, wherein:

said first distributed tax gateway is used in receiving said first transaction
information.

Please amend claim 16 as follows:

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~~16. (Once Amended) In a system, as claimed in Claim 13, wherein:
said first distributed tax gateway includes a first distributed controlling subsystem
and in which at least one of said first distributed controlling subsystem and the first
merchant computer calculates said first tax amount using a tax collection agent.~~

17. In a system, as claimed in Claim 12, wherein: the one or more
communication networks includes the Internet.

18. In a system, as claimed in Claim 13, wherein:
said main tax gateway memory subsystem stores first merchant certification
information related to certifying communications as being received from the first
merchant computer and stores first tax authority certification information related to
5 certifying communications as being received from the first tax authority designated
computer.

19. In a system, as claimed in Claim 13, wherein:
said main tax gateway memory subsystem stores first merchant validating
information related to validating the identification of the first merchant and stores the
authority validating information related to validating the identity of the first tax authority.

Please amend claim 20 as follows:

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~~20. (Once Amended) In a system, as claimed in Claim 13, wherein:
said main tax gateway memory subsystem stores information related to
requirements as to when the plurality of tax authority designated computers are to be
credited with said first tax amount and stores information related to correlating the
5 identity of the first merchant with the identity of the first merchant bank.~~

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21. In a system, as claimed in Claim 13, further including:
a plurality of distributed tax gateways different from said first distributed tax gateway and with said plurality of distributed tax gateways and said first distributed tax gateway in communication with said main tax gateway.

Please enter the following new claims 43-67.

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43. (New) The system of Claim 13, wherein said controlling subsystem includes a tax transaction management system for generating electronic bank to bank transfer notes for transferring funds between the first merchant bank and a bank designated for receiving taxes to be paid by the first merchant.

44. (New) The system of Claim 44, wherein said tax transaction management system generates said electronic bank to bank transfer notes according to an automated clearing house (ACH) procedure provided by a governmental agency.

45. (New) The system of Claim 12, wherein said control system includes a network interface for receiving, during the first transaction, a request for determining a tax on the first transaction, and providing a responsive network transmission to the first merchant computer prior to finalizing the first transaction with the first customer.

46. (New) The system of Claim 45, wherein said control system includes a merchant interaction control system for activating an address system that one of: verifies and corrects an address of a customer identified in the first transaction, wherein said merchant interaction control system communicates with at least one of: (a) a merchant enrollment system for enrolling merchants for receiving taxation related information in response to transaction information merchants supplied to said control system; (b) a tax computing engine for determining a tax on the first transaction, and (c) a merchant permissions system for authenticating that the first transaction is from the first merchant.

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47. (New) The system of Claim 45, wherein said control system includes one or more business rules associated with the first merchant, wherein said business rules are used in determining a response to receiving the first transaction information.

48. (New) The system of Claim 47, wherein said business rules include one or more of:

- (a) information indicative of which tax authorities the first merchant has indicated taxes are to be collected by said control system;
- (b) information indicative of which tax authorities the first merchant has indicated taxes are to be determined by said control system but not collected;
- (c) information indicating that no taxes are to be collected by said control system for tax authorities with which the merchant does not share nexus; and
- (d) information indicating whether or not the first merchant itemizes sales of products within the first transaction.

49. (New) The system of Claim 12, wherein said control system receives the first transaction information without the first merchant computer receiving a request for transmitting said first transaction information to said control system.

50. (New) A method for processing tax information, comprising:
first receiving a network transmission of a first of said tax related service requests from a first of the merchants, wherein said first request includes information for a first financial transaction in progress between the first merchant, and another party to the first transaction;

second receiving a network transmission of a second of said tax related service requests from a second of the merchants, wherein said second request includes information for a second financial transaction between the second merchant, and another party to the second transaction;

10 wherein said first and second requests are received at a common network node to which the first and second requests are directed by the first and second merchants respectively;

first determining after the first request is received at said common network node, one or more first taxes for a first one or more tax authorities included in a predetermined plurality of tax authorities;

second determining for the second request, a second one or more taxes for a second one or more tax authorities included in the predetermined plurality of tax authorities;

first transmitting to the first merchant, first data indicative of said first one or more taxes for use in completing the first financial transaction.

51. (New) The method of Claim 50, further including, a step of enrolling a first and second tax authority so that taxes can be collected for each of the first and second tax authorities, wherein at least some of the following substeps are performed:

obtaining a digital certification from at least one of the first and second tax authorities, wherein each said digital certification, for a corresponding tax authority, certifies communications to one or more of the merchants as being associated with the corresponding tax authority;

verifying an authenticity of at least one of the first and second tax authorities; and

transmitting, for at least one of the first and second tax authorities, an automatic clearinghouse prenote to a designated site as indicative of whether a subsequent transfer of funds to the designated site will succeed.

52. (New) The method of Claim 51 further including, a step of enrolling a third merchant for the collection of taxes from at least one of the first and second tax authorities, wherein at least some of the following substeps are performed:

receiving information indicative of where the third merchant has a physical presence so that one or more tax authorities can be determined for which a collection of taxes on behalf of the third merchant is required;

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receiving information indicative of which tax authorities the third merchant has indicated taxes are to be collected;

10 receiving information indicative of which tax authorities the third merchant has indicated taxes are to be determined but not collected; and

receiving information indicative of whether or not the third merchant itemizes sales of products within financial transactions.

53. (New) The method of Claim 52, further including, for at least one address of the third merchant,

third determining a corresponding geographically based code for the address, and

5 fourth determining, using said corresponding geographically based code, one or more applicable taxes for a geographical area represented by said corresponding geographically based code.

54. (New) The method of Claim 53, wherein said corresponding geographically based code is obtained from at least one of: a zip code, and a fips geo code corresponding to the at least one address.

55. (New) The method of Claim 50, further including a step of:
receiving, after said step of first transmitting, an additional network transmission from the first merchant for finalizing said first data for reporting to the first tax authorities.

56. (New) The method of Claim 55, wherein said additional network transmission is received at said common network node.

57. (New) The method of Claim 50, further including receiving each of the first and second requests at a common network interface at said common network node.

58. (New) The method of Claim 50, further including providing the first and second requests to a common secure socket layer of said common network node.

59. (New) The method of Claim 50, further including processing the first and second requests by a same controller, wherein said controller is activated from said common network node, and wherein said controller is used for initiating one or more of:
(a) a merchant enrollment process for receiving merchant identification information for
5 identifying the merchant in a subsequently different transmission, as a source of a tax related service request, (b) for verifying an address, (c) for determining a tax on each of the first and second financial transactions, and (d) for authenticating the first and second requests as from the first and second merchants respectively.

60. (New) The method of Claim 50, further including processing each of the first and second requests by activating a same tax computing subsystem that is accessed from said common network node, wherein a taxation amount for each of said first and second data is determined by said tax computing subsystem.

61. (New) The method of Claim 50, wherein one or more of said steps of first receiving, second receiving, and first transmitting includes communicating with one or more of: the Internet, a TCP/IP network, and a network supporting one of the protocols: http, html, and FTP.

62. (New) The method of Claim 50, further including:
providing an encryption key to each of at least two of the predetermined plurality of tax authorities for encrypting subsequent communications, each said encryption key provided being different from the encryption key provide to the other of the at least two
5 tax authorities; and

receiving a corresponding network transmission: (i) from each of at least two tax authorities, and (ii) at a common network node to which each of the corresponding network transmissions are directed by each of the at least two tax authorities;

wherein each said corresponding network transmission includes tax related data
10 from the tax authority providing the corresponding network transmission, and wherein said tax related data is subsequently stored remotely from the tax authority providing the corresponding network transmission.

63. (New) The method of Claim 62, wherein for each of the at least two tax authorities, at least one performance of said step of receiving said corresponding network transmission results in a performance of a step of transmitting notifications of changes of said remotely stored tax related data to a predetermined network destination provided by the tax authority.

64. (New) The method of Claim 50, further including a step of storing, for each of at least some of said predetermined tax authorities, (1) tax code data for the tax authority, including tax rates, and an indication as to whether the tax code data is for a use tax or a sales tax, and (2) additionally at least some of the following data items:

- (a) an indication as to whether the tax code data applies to a merchant with a physical presence to the tax authority;
- (b) for at least one of the tax rates, an effective date;
- (c) for at least one of the tax rates, an expiration date;
- (d) an identifier for identifying that more than one tax authorities' taxes that are to be reported on a common document;
- (e) a value indicative of a portion of an accumulated amount of a financial transaction to which some tax applies; and
- (f) a value indicative of a minimum amount for which a line item of a financial transaction must be sold before a tax is applied thereto.

65. (New) The method of Claim 64, wherein said step of storing includes, for each of at least some of said tax authorities, storing at least some of the following data items:

- (g) a value indicative of a taxable percentage of a line item value of a financial transaction;
- (h) a value (V) indicative of a maximum taxable amount of a line item (L) value of a financial transaction;
- (i) a value indicative of whether an instance of the value V applies to the line item L at an extended price, or to a price of an individual item identified by the line item L;

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- (j) a value indicative of a portion of an amount A for a financial transaction T, wherein A is representative of an accumulated amount for T that exceeds an instance of the value V for T;
- (k) a value indicative of a minimum tax for a financial transaction;
- (l) a value indicative of a maximum tax for a financial transaction; and
- (m) a value indicative of a round off method to be used in determining a tax on a financial transaction.

66. (New) The method of Claim 64, wherein said step of storing includes, for each of at least some of said tax authorities, storing at least some of the following data items:

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- (n) a value indicative of whether the tax code data supercedes a second tax code data;
- (o) a value indicative of whether a tax rate for the tax authority supercedes a tax rate for another tax authority;
- (p) one or more geographical codes indicative of a jurisdiction of the tax authority;
- (q) for each of one or more products, a product code identifying the product, wherein said product code has an encoding that is used for determining tax related information both for a plurality of merchants and for a plurality of tax authorities;
- (r) a value used in combination with a instance of a product code for determining whether one or more products are taxable or exempt from a tax.

67. (New) The method of Claim 50, further including a step of second transmitting to the second merchant second data indicative of said second taxes; wherein said steps of first and second transmitting are initiated at a common network interface.

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